



Viet Nam Economic Bulletin

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Viet Nam among world's top 25 economies by 2038: UK think tank



- Viet Nam and the Philippines are the two economies in Southeast Asia that are projected to make a big leap in the World Economic League Table (WELT) between 2023 and 2038, according to the Centre for Economics and Business Research (CEBR).

- It forecasts that Viet Nam will move swiftly up the WELT rankings, from 34th position in 2023 to 24th in 2033 and 21st in 2038 while the Philippines will reach 23rd place by 2038.

- CEBR also forecast a positive outlook for Viet Nam over the next 15 years. With its population advantage, the country can likely achieve its goal of becoming a high-income country by 2045. With a large and relatively young population, Viet Nam has a chance to surpass most countries in the Association of Southeast Asian Nations (ASEAN), behind only Indonesia, to be among the world's top 25 economies by 2038.

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Standard Chartered forecasts Viet Nam's 2024 GDP growth at 6.7%



- Standard Chartered Bank expects Viet Nam to have a robust GDP growth of 6.7% in 2024 (6.2% and 6.9% in the first half and second half of the year, respectively).

- According to Standard Chartered's economist, retail sales and industrial production have stayed robust despite the recent moderation. Exports and imports are starting to recover, though electronics-related trade remains tentative. The FDI recovery remains lacklustre; a stronger recovery in FDI flow would require faster GDP growth. Headwinds to global trade pose a key risk.

- Given re-emerging inflation concerns, inflation is anticipated to pick up to 5.5% in 2024 from 3.3% in 2023. Standard Chartered Bank forecasts monetary loosening has likely ended, given Viet Nam's economic recovery starting to gain momentum. The bank expects rates to stay on hold despite a possibility of another rate cut. Refinancing rate is expected to stay on hold at 4.5 % until end-Q3-2024, before a 50bps hike in Q4.

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Bloomberg gives positive economic outlook for Viet Nam in 2024



-The website Bloomberg.com of the US on January 8 cited analysts' opinions, saying that the State Bank of Viet Nam (SBV), among the first in Asia to lower borrowing costs in 2023, will likely keep its benchmark interest rate steady through next year as it tackles economic growth and inflation concerns.

- Bloomberg's latest survey shows that the refinancing interest rate, currently at 4.5%, is seen to stay on hold through 2025, in the backdrop of a rebound in gross domestic product growth backed by strong exports. The rate was cut thrice between April and June last year to 4.5% from a peak of 6%.

- Analysts also raised their headline inflation forecasts for 2024, now expecting price gains at 3.6% this quarter and at 4.05% in the next, up 0.7% and 0.75 % compared to the same periods last year, respectively.

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A turning point in 35 years of FDI attraction



- During the 35-year journey of attracting foreign direct investment (FDI), Viet Nam has continuously improved institutions and preferential policies, effectively attracting and managing domestic and foreign investment resources. The expansion of economic diplomacy activities of the Party and Government in recent times has created more opportunities for Viet Nam to attract high-quality capital flows into new industries.

- In 2023, Viet Nam attracted 36.6 billion USD of FDI, an increase of more than 32% over 2022. Of which, newly registered capital reached more than 20 billion USD, up 62.2%, supplemented capital reached nearly 7.9 billion USD, down 22.1%, and the total value of capital contribution by foreign investors was over 8.5 billion USD, up 65.7% over 2022.

- This result is thanks to Viet Nam's attractive and improved investment environment, with many outstanding advantages. In 2023, the economic diplomacy activities of the Party and Government were enhanced. The upgrade of Viet Nam's comprehensive strategic partnership with Japan and the US expects to create new and quality investment waves. Therefore, we can be optimistic and confident that FDI capital flows into Viet Nam will continue to expand well in 2024 and the following years.

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Viet Nam's coffee exports reach nearly 4.2 billion USD in 2023



- Viet Nam shipped 1.61 million tonnes of coffee abroad in 2023, earning 4.18 billion USD, down 9.6% in volume but up 3.1% in value year-on-year.

- The average coffee export price in 2023 was 2,834 USD per tonne, an increase of 14.1% compared with the previous year.

- Viet Nam's coffee industry benefited from a hike in Robusta coffee price. The price of Robusta in the world market hit a 28-year peak at the end of 2023 due to low inventories and sale restrictions.

- This year, Viet Nam is focusing on solutions to promote the sustainable development of the coffee industry, including ensuring origin traceability and meeting the European Union deforestation regulation (EUDR).

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Viet Nam serves 12.6 million international tourists in 2023



- About 12.6 million international tourists have visited Viet Nam this year, a 3.4-fold rise from 2022, surpassing the target of 8 million set earlier, the General Statistics Office (GSO) reported on December 29.

- The 2024 National Tourism Year will be hosted by the northern province of Dien Bien, marking the 70th anniversary of the Dien Bien Phu victory which played a decisive role in ending the resistance war against French colonialists.
- With nine UNESCO-recognised heritage sites, including five cultural, three natural, and one complex heritage, Viet Nam has won the World's Leading Heritage Destination 2023 title of the World Travel Awards. This is the 4th time that Viet Nam has obtained the title, as it did in 2019, 2020, and 2022.
- According to Viet Nam National Authority of Tourism, the number of Indian tourists ranked ninth out of 10 countries with biggest number of international tourist, recorded 392.000 people.

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Nearly 2,000 night flights to be operated during Lunar New Year holiday



- More than 1,800 night flights, equivalent to 8% of the total number of domestic flights, will be operated from January 21 to February 25 to meet the increasing travel demand during the Lunar New Year (Tet) holiday.
- The Civil Aviation Authority of Viet Nam (CAAV) issued a document allowing night flights during the Tet holiday, and asked carriers to take actions to minimise flight delays and cancellations, and to intensify control to ensure aviation safety.
- Local airports, especially the Dong Hoi, Phu Cat, Chu Lai, Tuy Hoa, Tho Xuan, Vinh, and Pleiku, were urged to develop specific plans and measures to ensure the capacity to provide services during the holiday and ensure sufficient resources, equipment and infrastructure facilities to serve flights following airline's operation plans.
- The airlines expect to fly 7.2 million passengers during Tet, the biggest holiday in the year in Viet Nam, of them more than 5 million domestic ones, up 4% year-on-year.

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Hanoi jumps 16 places on list of the world's most liveable cities



- Viet Nam's capital city of Hanoi has moved up 16 spots (160th to 144th) on the list of the world's most liveable cities in 2023, which was carried out by the ECA International.

- ECA's Location Ratings objectively evaluate cities around the world to form an assessment of the overall quality of living for expats in over 500 locations across the globe.

- The ranking is based on a variety of liveability factors including the availability of health services; housing and utilities; isolation; access to a social network and recreational and leisure facilities; infrastructure; climate; personal safety; socio-political tensions; and air quality. The impact of some of the factors assessed will vary according to the home location of the assignee.

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Search volume for Viet Nam's tourism in 2023 grows at 6th fastest rate



- The search volume for Viet Nam's tourism via Google's market trend tracking tool in 2023 grew 75%, ranking 6th globally, according to the Viet Nam National Authority of Tourism (VNAT).

- The ten countries with the highest number of tourism-related searches of Viet Nam were the US, Australia, Japan, India, the Republic of Korea, Singapore, the UK, Germany, Malaysia and Thailand.

- The most searched destinations in Viet Nam include Ho Chi Minh City, Hanoi, Da Nang, Phu Quoc (Kien Giang Province), Hoi An (Quang Nam Province), Nha Trang (Khanh Hoa Province), Da Lat (Lam Dong Province), Hue (Thua Thien Hue Province), and Phan Thiet (Binh Thuan Province).


- Viet Nam greeted 12.6 million international tourists in 2023, a 3.4-fold rise from 2022, surpassing the target of 8 million set earlier. In 2024, the tourism industry strives to welcome 17-18 million international visitors and 110 million domestic tourists, earning about 840 trillion VND (34.5 billion USD).

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Viet Nam is most searched destination by Indians in 2023



- The search volume for Viet Nam's tourism via Google's market trend tracking tool in 2023 grew 75%, ranking 6th globally, according to the Viet Nam National Authority of Tourism (VNAT).



- Viet Nam was the most searched travel destination by Indians in 2023, according to the Indian travel magazine Outlook Traveller, citing Google's Year in Search report.

- The magazine noted that with its breathtaking landscapes, rich culture, and vibrant history, Viet Nam is a country that has long captivated the hearts of Indian travellers. The magazine said Viet Nam's rich and complex history provides a treasure trove of historical sites that provide a fascinating glimpse into the country's past, from ancient temples and imperial citadels to war museums and colonial-era relics. Furthermore, Viet Nam is also home to well-known islands and pristine beaches

- Vietnamese data shows that India is one of the top ten largest sources of foreign tourists to Viet Nam, with 352,000 visitors in the first 11 months of 2023, while Google data suggests that Indian searches on Viet Nam rose 30-fold compared to last year.

- The most searched Vietnamese destinations are Ha Noi, Ho Chi Minh City, Phu Quoc, Da Nang and Quy Nhon.

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